News Release 2/8/06

Williams, Pacific Gas and Electric Company and Fort Chicago Energy Partners L.P. Propose Major New Gas Transmission Pipeline Project

SALT LAKE CITY - Williams' (NYSE:WMB) Northwest Pipeline, Pacific Gas and Electric Company (NYSE:PCG) and Fort Chicago Energy Partners L.P. have agreed to jointly pursue the development of a major new gas transmission pipeline that would increase natural gas supplies for the West Coast of the United States. The three participants will hold equal interests in the pipeline project.

The proposed Pacific Connector Gas Pipeline, a 250-mile natural gas transmission line, together with the proposed Jordan Cove liquefied natural gas terminal in Coos Bay, Ore., being developed by Fort Chicago, are designed to bring new diverse worldwide natural gas supply sources to West Coast markets.

Scheduled for completion in 2010, the project would provide competitive and reliable alternatives to existing supplies from Canadian, Southwest and Rocky Mountain sources, which are increasingly being pursued to supply eastern U.S. markets.

The Pacific Connector would link the proposed Jordan Cove LNG terminal to Williams' Northwest Pipeline system near Roseburg, Ore., and the Tuscarora and PG&E gas transmission systems, both near Malin, Ore. The project's Oregon location enhances supply options for consumers in Oregon, Washington and throughout the Pacific Northwest. As proposed, the pipeline would be capable of delivering 1 billion cubic feet of natural gas per day to the Pacific Northwest and beyond - including California and northern Nevada - through various interconnects with the pipelines previously mentioned.

Today, virtually all of the supplies serving the Pacific Northwest and northern California originate in the Rocky Mountains or in Canada. The group immediately will begin seeking regulatory approvals and market commitments for the Pacific Connector and plans to begin environmental assessments along the proposed route in March. The group is targeting a Federal Energy Regulatory Commission application filing for the pipeline by January 2007.

"Providing access to diverse, abundant natural gas supplies continues to be a major focus at Williams," said Phil Wright, senior vice president of Williams' gas pipeline business. "The Pacific Connector is designed to give customers access to LNG supplies, further enhancing the superior supply flexibility offered by our own Northwest system."

"The Pacific Connector is an example of the innovative options PG&E is pursuing to bring much needed supplies to the region," said Bob Howard, PG&E's vice president of gas transmission and distribution. "Through joining forces with other utilities in the region, we hope to bring additional cost-effective supply sources that would significantly benefit our gas and electric end use customers."

Stephen White, president and CEO of Fort Chicago, commented: "We are extremely pleased to have these pre-eminent energy companies join us in this natural gas transportation project. Their participation should ensure optimal pipeline and market interconnectivity, and their collective strengths help to form a foundational bridge between the Jordan Cove LNG terminal and the substantial markets located throughout the Pacific Northwest, California and elsewhere in the western U.S."

About Williams (NYSE:WMB)

Williams, through its subsidiaries, primarily finds, produces, gathers, processes and transports natural gas. The company also manages a wholesale power business. Williams' operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, southern California and the Eastern Seaboard. www.williams.com.

About Pacific Gas and Electric Company (NYSE:PCG)

Pacific Gas and Electric Company incorporated in California in 1905, is one of the largest combination natural gas and electric utilities in the United States. Based in San Francisco, the company is a subsidiary of PG&E Corporation. Pacific Gas and Electric Company's primary business is the transmission and delivery of energy. The company provides natural gas and electric service to approximately 15 million people throughout a 70,000-square-mile service area in northern and central California. The service area stretches from Eureka in the north to Bakersfield in the south, and from the Pacific Ocean in the west to the Sierra Nevada in the east. www.pge.com.

About Fort Chicago Energy Partners L.P.

Based in Calgary, Alberta, Fort Chicago presently owns a 50 percent interest in the Alliance Pipeline, an approximate 42.7 percent interest in Aux Sable Liquid Products L.P. and Alliance Canada Marketing and a 100 percent interest in the Alberta Ethane Gathering System ("AEGS"). The Alliance Pipeline is a 3,000 kilometer mainline natural gas pipeline, which extends from northeastern British Columbia to delivery points near Chicago, Illinois. Aux Sable operates natural gas liquids extraction, fractionation and delivery facilities near Chicago. AEGS is a 1,324 kilometer ethane pipeline system, which delivers ethane feedstock to Alberta's petro-chemical industry. www.fortchicago.com.

Contact: Michele Swaner
Williams
(801) 584-7048

Jon Tremayne
Pacific Gas & Electric Company

(415) 973-5930

· Woodside, BHP In Race To California

564 words
03/22/2006
World Gas Intelligence
English
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The race to build LNG infrastructure in California is heating up, with terminal developers striving mightily to devise plans palatable to the LNG-leery California public. The two that appear to be leading the pack are Woodside's Oceanway project, 20 miles offshore Los Angeles, and BHP Billiton's Cabrillo Port terminal, 15 miles offshore Malibu.

Woodside appeared to take the upper hand last week, advancing a plan to deliver Australian LNG to California through a terminal emulating Excelerate Energy's Gulf Gateway facility in the Gulf of Mexico. This looked to one-up rival BHP's Cabrillo scheme which, although far offshore, would include a 14-story floating storage and regasification unit (FSRU) sited off ritzy Malibu.

Unlike Cabrillo, the 1.4 billion cubic foot per day (10 million ton per year) Oceanway terminal would do away with even an offshore platform. It would have only an inconspicuous floating buoy capable of receiving gas from tankers with regasification units onboard. The buoy would feed into an undersea pipeline that would take the gas to existing pipes in an industrial area near the Los Angeles airport, connecting from there to the distribution grid run by Southern California Gas Co.

Woodside is hoping this proposal will assuage Californians' fears over safety, environment and the coastline view. The company is tight-lipped about costs, which analysts believe could go anywhere from \$1 billion to \$1.8 billion. And yet the big price tag apparently isn't dissuading the company from moving forward into a US market that Australian producers would like to cultivate both for its own prices and because it seems more dependable than China and India, which have balked recently over skyrocketing prices (p3).

Oceanway's supply is likely to come from Woodside's upstream projects Pluto and Browse, slated for completion in 2010 and 2012-14, respectively (WGI Jan.11,p2). The main obstacle facing Woodside now is getting the necessary approvals in the US, which the spokesman said would take between 18 months and two years.

Time is where BHP may have a leg up on Woodside. Whereas Woodside is only now initiating the

4/27/2006

permitting process, BHP is already relatively far along. The California State Lands Commission released a draft environmental report last week, and BHP hopes to have both state and US Coast Guard approval later this year -- although even bullish supporters concede that may involve a little wishful thinking.

If Cabrillo does end up going forward, however, BHP may have trouble supplying the terminal. The company says it's still planning on developing the 8 trillion cubic foot Scarborough field, 380 kilometers off Western Australia, for shipment to Cabrillo. But there has been no word so far from Exxon Mobil -- which owns 50% in the field -- and it may be reluctant to go along, given that it is already involved in the North West Shelf and in the Gorgon development (WGI Mar.23'05,p4).

In the midst of their respective uphill battles in California, Woodside and BHP probably couldn't help looking southward with a tinge of envy last week as they saw rival Sempra charging ahead with its LNG plans, announcing it was seeking bids from suppliers to help double capacity at its 1.5 Bcf/d Energia Costa Azul LNG terminal under construction on Mexico's Baja peninsula.

WGI0000020060322e23m00003

Susan Jordan California Coastal Protection Network 906 Garden Street Santa Barbara, CA 93101 805-637-3037

"Our lives begin to end the day we become silent about things that matter." - Martin Luther King, Jr.



FOR IMMEDIATE RELEASE

15 MARCH 2006

CONTACT: GREG LARSEN 916-491-4094 OR 916-718-4590

WENDY MITCHELL 310-461-1380

WOODSIDE SELECTS SITE FOR OCEANWAY SECURE ENERGY PROPOSAL

Location is More Than 20 Miles Offshore from LAX; No Terminal or Offshore Platform Needed

LOS ANGELES -- Woodside Natural Gas Inc. today announced that its proposed OceanWay Secure Energy project, a state-of-the-art process for safely delivering affordable Australian natural gas to help meet California's growing energy needs, will be more than 20 miles (32km) off the coast of Los Angeles.

OceanWay will not need the construction of an LNG terminal onshore, or an offshore platform.

Instead, gas will be delivered from specially designed ships through an undersea pipeline to existing gas pipeline facilities in an industrial area near Los Angeles International Airport (LAX), with little or no disruption to residential neighborhoods.

The process of converting LNG to regular natural gas begins onboard the ship, which connects to an underwater buoy, facilitating a secure connection to OceanWay's undersea pipeline and then is proposed to be connected to the Southern California Gas Company system.

"Providing a safe, reliable and affordable natural gas supply to Southern California is the number one goal of the OceanWay proposal," said the president of Woodside Natural Gas, Jane Cutler.

"Woodside has the experience, expertise and gas reserves required to succeed in this vital endeavor and is committed to working with regulators, policy makers and local communities to achieve this goal."

"One of the biggest advantages of Woodside's proposal is delivering natural gas in an environmentally sensitive manner."

"The technologically advanced ships we use are specifically engineered for the delivery of LNG and they eliminate the need for an onshore terminal or an offshore platform."

Ms Cutler said ocean views would not be affected because the proposal had no surface terminal.

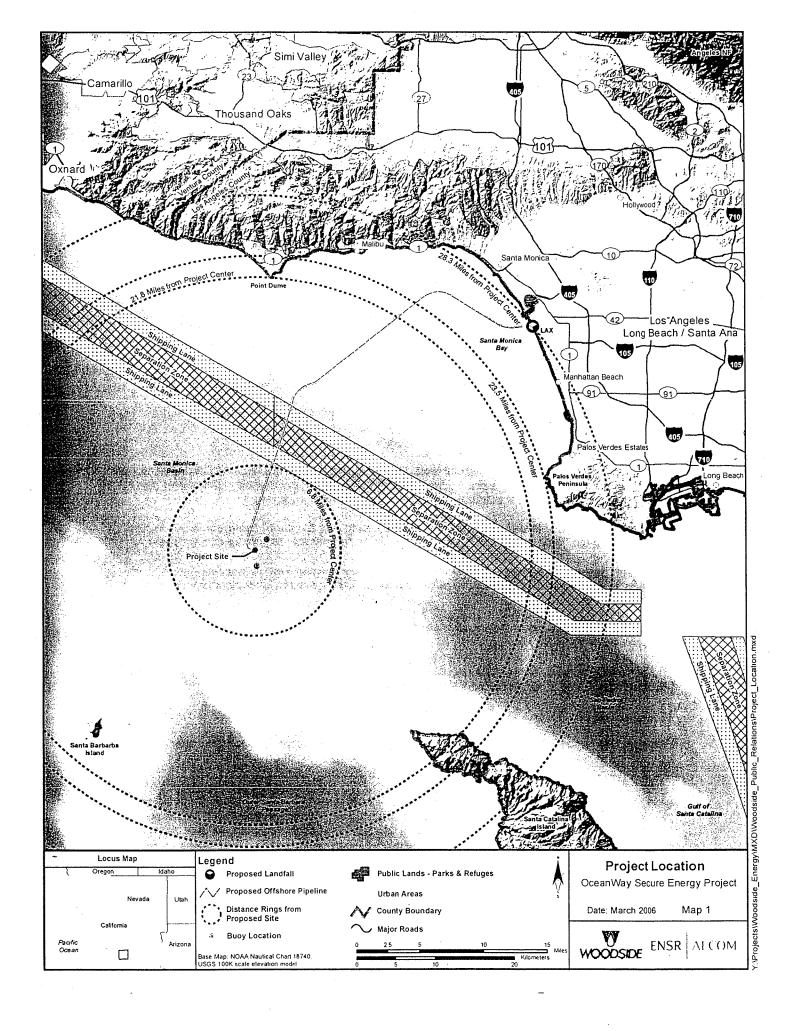
"When a ship is delivering natural gas it will be over 20 miles offshore, over five miles beyond commercial shipping lanes and barely visible even on the clearest of days," Ms. Cutler said. "The rest of the time, only a small marker will be on the surface of the water."

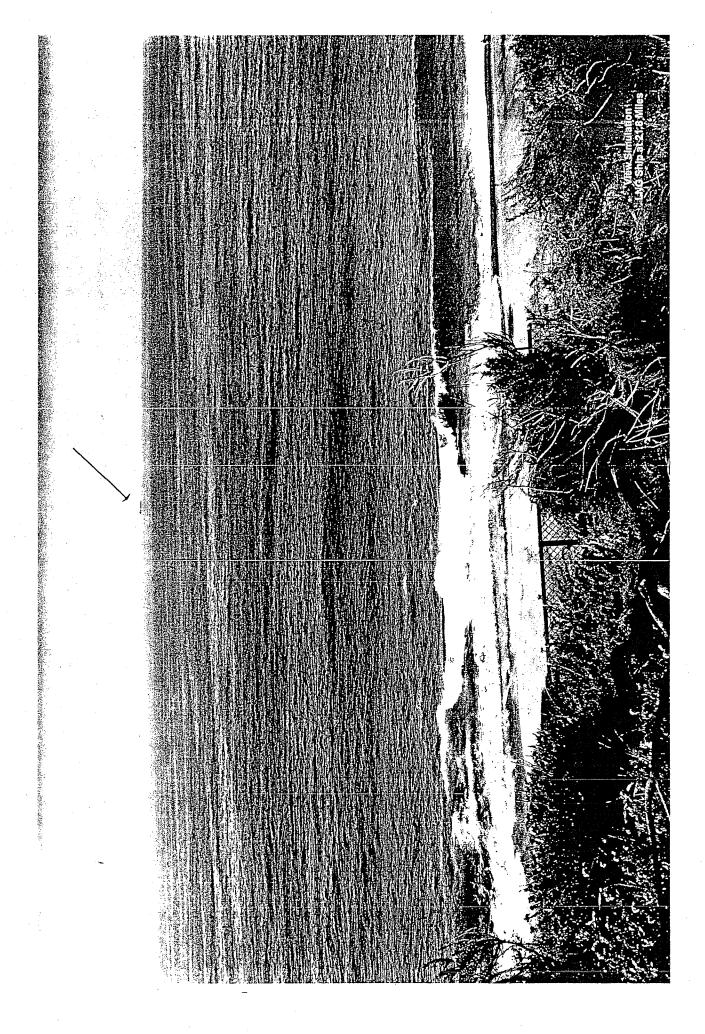
Under Woodside's proposal, the undersea pipeline will come ashore below ground in the industrial area next to LAX. The location is near the same industrial strip as the Los Angeles Department of Public Works' Hyperion sewage treatment facility, the Scattergood power plant and the Chevron oil refinery. The onshore receiving facilities for OceanWay will be minimal.

Ms. Cutler said Woodside had three critical criteria in mind when choosing a site for the OceanWay proposal.

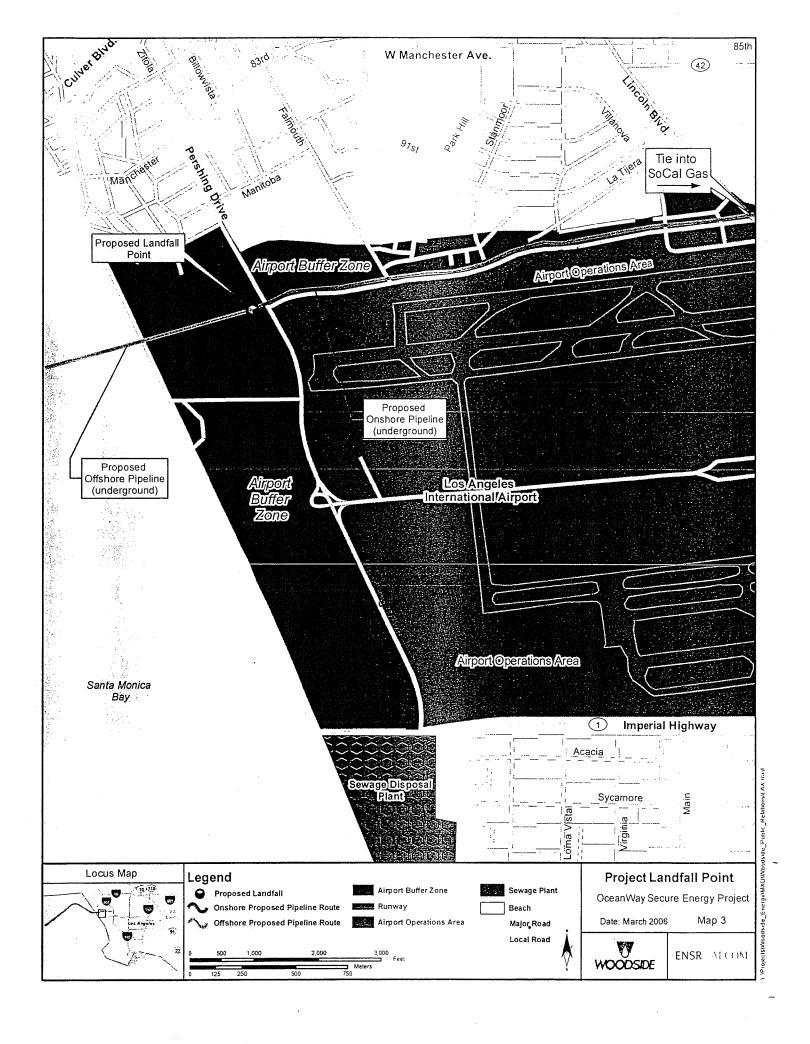
WOODSIDE NATURAL GAS INC.

1901 Avenue of the Stars, Level 2, Century City, Los Angeles CA 90067 USA Telephone: 310 461 1380 Facsimile: 310 461 1304









Prior to construction, surveyors mark on Rig Unit

the ground with paint or flags the location where the pipeline will be installed and provide a back stake to align the rig.

power unit provides electric and hydraulic power for the HDD rig and mud handling Control Cab/ Power Unit
The control cab houses the rig controls and HDD tracking instruments. The equipment. 0

Drill Pipe 0

Drill pipe is stored on a rack or trailer adjacent to the HDD rig. A crane moves drill pipe to and from the drill pipe storage and the drill rig.

Drill Crossing length

The mud tanks provide suction to the Mud mix tanks are used to mix water and or additives with the drilling clay. Mud Mixing Tank mud pumps. 9

mud. Screened mud is remixed for use separate the HDD cultures from return Cuttings Separation Equipment Tanks equipped with shaker screens in drilling. Cuttings are classified for disposal. 0

pressure to assist in the drilling process and to sweep cuttings from Mud pumps provide mud at high the HDD hole. Mud Pump 0

Dry storage of sacks of the drilling Drilling Clay Storage clay.

entry point to collect mud and cuttings A small pit dug around the drill string Pilot Hole 0

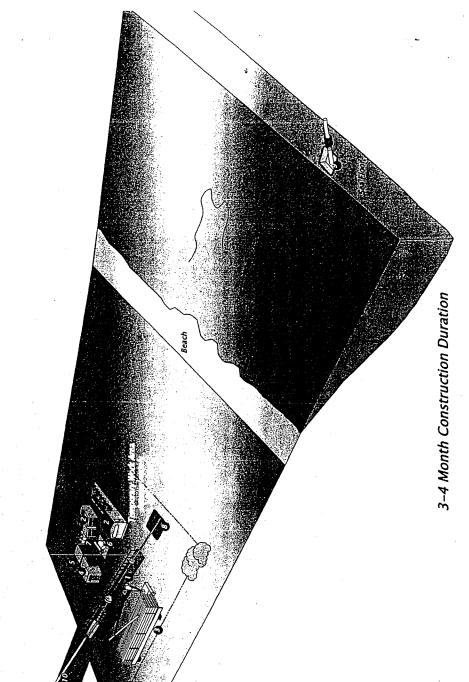
retums.

Example Directional Bore Sub-Sea Construction
Note: Illustration not to scale

machine & Tie-In to offshore pipeline. A Tie-In hole is dug to remove bore 9 Tie-In Hole

Pipe String

The welded, inspected and tested carrier pipe, prior to installation into the HDD hole.



New line would start at terminal in Coos Bay

By Carl Mickelson, Staff Writer
Thursday, February 9, 2006 1:51 PM PST
http://www.theworldlink.com/articles/2006/02/09/news/news0102092006.txt

Three of the biggest names in Northwest energy announced plans Wednesday to complete a 250-mile-long natural gas pipeline from the proposed liquefied natural gas terminal in Coos Bay to Malin, a small town about 30 miles southeast of Klamath Falls, by 2010.

Pacific Gas and Electric Company, Williams' Northwest Pipeline and Fort Chicago Energy Partners L.P. issued a press release Wednesday indicating the three planned to pursue the development of a new pipeline that would significantly boost natural gas supplies for the West Coast.

The pipeline, dubbed the Pacific Connector, would link the proposed Jordan Cove LNG terminal at the North Spit to Williams' Northwest Pipeline system near Roseburg and then connect into PG&E's gas transmission systems near Malin, about five miles from the California border. The pipeline would deliver 1 billion cubic feet of natural gas to the Pacific Northwest, California and possibly Nevada.

The exact route of the pipeline has not been hammered out, said Michele Swaner, a Williams spokeswoman who called the plans "preliminary." She said the pipeline, that would be built by Williams, would provide competitive and reliable alternatives to existing supplies from Canadian, southwestern U.S. and Rocky Mountain sources, which are increasingly being pursued to supply eastern U.S. markets.

"Through joining forces with other utilities in the region, we hope to bring additional cost-effective supply sources that would significantly benefit our gas and electric end use customers," said Bob Howard, PG&E's vice president of gas transmission and distribution in a prepared statement.

To those in the gas engineering community, the announcement did not come as a shock. Adam Bless, a senior facility analyst for the Oregon Department of Energy, said if an area is going to have an LNG facility, there has to be a way to ship the product. Advertisement

But, before construction of the Pacific Connector would get under way, the LNG terminal itself must first gain approval by the Federal Energy Regulatory Commission and the U.S. Coast Guard. Bob Braddock, project manager for the Evergreen, Colo.-based Energy Projects Development spearheading the Jordan Cove Energy Project, said Wednesday his company planned to take the necessary steps to do just that by filing preliminary paperwork with FERC in April. Meanwhile, the regulatory process and environmental assessment for the proposed pipeline route will begin in March and intends to file paperwork with FERC in January, 2007. Braddock said Energy Projects Development planned to submit its FERC application in September.

The FERC-filing would trigger a more than year-long rigid schedule of public hearings, workshops and report deadlines that would culminate into an environmental impact statement that Braddock said would likely be issued in 2007.

Energy Projects Development also must submit a waterway suitability assessment to the U.S. Coast Guard, the regulatory agency mandated to

review the safety and security of the proposed LNG terminal.

Despite the significant hurdles yet to come, Braddock said he was pleased with the announcement.

"I think what it does, if anything, it makes the prospect for the terminal that much more probable," said Braddock, who was in Washington, D.C., Wednesday meeting with FERC officials about the project. "It has gained a lot of traction in the Northwest, California and Nevada."

The original LNG proposal that surfaced in September 2003 was one-third the size it is now, with Energy Projects Development targeting users in the Umpqua basin and the Willamette Valley, Braddock said. At one time, energy experts called the LNG terminal project here - at 200 million cubic feet of natural gas per day - the smallest LNG import facility in the United States.

"It has catapulted from what we started out doing, which was a very niche-oriented operation that we saw to fill in Southwest Oregon. Others have seen more in it than just that," Braddock said.

Energy Projects Development could have had an energy companies and utilities courting it, but instead, Braddock said they got a few of the leading companies in the Northwest.

"We felt good they saw something in it," Braddock said. "Being associated with them rubs off on us. They have credibility. That builds a broader team."

Some say the LNG terminal is the linchpin to a series of economic development projects for the area. LNG facility approval also is the cornerstone for the Oregon International Port of Coos Bay's plans to purchase 1,300 acres from Weyerhaeuser to market to potential industrial clients.

"The presence of an LNG terminal will provide a catalyst, and maybe even a magnet for other energy-based industries to site there," Braddock said.

Braddock said it could be shipped via ocean-going vessels from countries including Australia, Russia or Peru and stored on the North Spit in a 120-foot tall, double-hulled tank capped by three feet of concrete. The natural gas is converted to a liquid form by freezing it to negative 260 degrees Fahrenheit, increasing its density and reducing the volume it occupies by 600 times. In its liquid form, the gas is not flammable but as it returns to its gas form and expands, natural gas again becomes highly combustible.

The LNG project has not been without its detractors, who fear its presence increases safety and security issues, such as a disaster brought on by fire, earthquake, tsunami or terrorist attack (see sidebar). In 2004, a liquefied natural gas plant in Algeria exploded, killing 30 workers.

Braddock said he has no control of what path the Pacific Connector will take once it leaves the North Spit property, adding he doesn't

think the presence of a competing natural gas provider in the area will threaten the investment the county made in its natural gas pipeline.

"No way. We see it as the opportunity to recoup value from that asset in a much shorter time," Braddock said. "Without our presence here, there would be very little moving through the pipeline. It would only be for local consumption."

However, that part of the project has yet to be solidified.

"We are in discussion with the county about that," Swaner said. "That is all we can really say at this point. There is nothing definite."

If the plans do come to fruition, Braddock speculated the transport revenues to the county would increase. Coos County Commission Chairman John Griffith said it still is too early to tell what effect the Pacific Connector pipeline would have on Coos County citizens or the county's pipeline.

In the meantime, Coos County is pursuing sale of methane through private investors. According to Loran Wiese, the project manager for Methane Energy Corp., there is no association between Methane Energy Corp., and the new pipeline.

"At this time, we've not been asked to do anything," he said.

Bless said based on past pipeline project costs, he estimated the Pacific Connector pipeline would cost up to \$400 million, more expensive than other projects because it would cross both the Coast Range and the rugged Siskiyou mountains.

Braddock said the proposed LNG terminal for the North Spit is in competition with two others proposed for the Columbia River. $\,$

"In my own personal opinion, there is only going to be one LNG terminal built in the Northwest," Braddock said. "If it's not us, it's them. If it's them -it's not us. But we think we have access to markets that is unmatched."

Explosion reported in Northeast Texas

5/13/2005, 8:41 a.m. CT

The Associated Press on www.NOLA.com

HALLSVILLE, Texas (AP) — A natural gas pipeline exploded early Friday, forcing the evacuation of homes up to a mile away and sending a fireball 500 feet into the air, authorities said.

No serious injuries were reported, according to dispatcher Renee Nelson of the Harrison County Sheriff's Department.

One worker was taken to Marshall Regional Medical Center for treatment of minor injuries and discharged, said a nursing supervisor who declined to identify himself.

The blast happened about 2 a.m. Friday on a pipeline that serves a power plant co-owned by New Orleans-based Entergy Corp., the Longview-based Northeast Texas Electric Cooperative and the Nacogdoches-based East Texas Electric Cooperative.

The Harrison County Plant, eight miles south of Marshall, had three workers on duty at the time of the blast, said Entergy spokeswoman Kelle Barfield. The gas fire was out by daybreak, but the blast had caused a secondary fire at the plant's cooling tower, Barfield said. She said she had no details on that fire.

The pipeline is owned by Houston-based Kinder Morgan Inc. A Kinder Morgan spokesman said Friday

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that he had no details on the blast.

The rupture of the 36-inch pipeline forced about 43 homeowners near the scene to evacuate, said a trooper with the Texas Department of Public Safety.

"At this point, they are working to establish what may have caused the rupture in the first place," Trooper Jeanne Steeley told Shreveport, La., television station KSLA.

The explosion was felt by residents within several miles of the facility.

"It was a loud rumble," Madeline Walton told KSLA. "It just shook the whole place and I looked outside and saw bright orange and yellow flames shooting into the sky."

Smoke and flames were visible as far as 10 miles away.

"The sky is just orange and smoke and flames are filling the sky," witness William Brazil told KSLA-TV.

http://www.nola.com/newsflash/louisiana/index.ssf?/base/news-16/1115991076315690.xml&storylist=louisiana

Md. gas terminal under scrutiny: Officials look for cause at Cove Point for leaks in Pr. George's houses; Dominion blames equipment

By Tom Pelton, Sun Staff July 8, 2005

http://www.baltimoresun.com/news/local/bal-md.leaks08jul08,1,3342375.story?coll=bal-home-headlines

The federal government is investigating claims that the nation's largest liquid natural gas terminal, located in southern Maryland, is importing a corrosive fuel that may have helped to cause hundreds of gas leaks in Prince George's County.

Among the incidents under scrutiny is a March 28 explosion that flattened a four-bedroom brick home in the District Heights section of the county. The family was out at the time of the blast.

Officials with Washington Gas, which supplies fuel to about 1 million homes near the District of Columbia, said yesterday that the abnormal chemical composition of gas imported through the Cove Point terminal in Calvert County was a "key contributing factor" in making rubber seals deteriorate.

The breakdown of seals in the couplings of gas pipelines led to about 1,400 gas leaks during the past two years, and has required the company to launch a \$144 million project to replace lines and equipment, said Tim Sargeant, spokesman for the utility.

"We are experiencing a significant increase in leaks in a 100-square-mile area of Prince George's County," Sargeant said. "We have not ruled out the possibility of a rate increase in the future," to pay for the extensive repairs, he said.

The terminal's owner, Dominion of Richmond, disputed the claims yesterday, saying the source of the problems was Washington Gas' leaky, half-century-old equipment and its improper installation of gas line seals and couplings.

"They have pipelines that can't hold gas, and they are blaming the gas," said Dan Donovan, spokesman for Dominion. "It's like you have a leaky roof, and you blame the rain."

Liquefied natural gas is a form of natural gas cooled to 260 degrees below zero to shrink the fuel, so it can be imported on large ships from the Middle East, Africa and elsewhere. It is then reheated and returned to a gaseous form.

Cove Point, which reopened in August 2003 after 23 years of dormancy because of low gas prices and other problems, is the largest of four liquefied natural gas importing terminals in the country. Dominion has proposed an \$850 million expansion because of rising public demand and a shortage of domestic natural gas supplies.

The branch of the U.S. Department of Transportation that inspects pipelines said yesterday it will investigate claims by Washington Gas, said Damon Hill, spokesman for the agency.

"This is not a common problem, and it's not something we've seen before," Hill said. "But we are going to be looking into what action, if any, would need to be taken on a larger scale to address any safety implications."

A consultant's report commissioned by Washington Gas said that the unusually high number of leaks happened only in a section of southern Prince George's County that received undiluted gas directly from Cove Point.

Other parts of Maryland and other utilities, such as Baltimore Gas and Electric, that receive some of their gas from Cove Point - but always mixed with domestic natural gas - did not report increasing numbers of gas leaks, said Christine Nizer, spokeswoman for the Maryland Public Service Commission, which is also investigating the leaks.

Washington Gas started receiving gas from Cove Point in August 2003, when the terminal reopened, according to the consultant's report by Environ International Co. of Groton, Mass. Washington Gas experienced abnormally high numbers of leaks during the following winters. Out of 3,244 gas leak repairs last year, an estimated 1,400 were in Prince George's County, Sargeant said.

Environ concluded that the leaks were caused by aging seals - some a half-century old - that came into contact with cold temperatures and gas with lower than normal concentrations of a compound called pentane, which caused some of the seals to shrink.

Washington Gas officials concluded from the report that the Cove Point gas was the problem. Dominion accused Washington Gas of misinterpreting the report and underplaying the central role of its own aging equipment. "Stop mischaracterizing natural gas study results," Dominion said to Washington Gas in a news release.

The gas met all of Washington Gas' and the federal government's strict guidelines for purity and quality, Dominion officials said.

The Prince George's County Fire Department is investigating three natural gas explosions in homes during this period, none of which caused injuries, said Mark E. Brady, spokesman for the agency.

"Fortunately, the great majority of these incidents result in leaks outside," Brady said.

Prince George's County Executive Jack Johnson said yesterday he is frustrated with Washington Gas' failure to provide information to-county officials about the gas problems.

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